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Docket ST

2004-17343

Correspondence

**DION FLANNERY**

Vice President

Scheduling &amp; Route Planning

Monday, April 19, 2004

Honorable Norman Y. Mineta  
Secretary of Transportation  
US Department of Transportation  
400 7<sup>th</sup> Street SW  
Washington, DC 20590

Dear Secretary Mineta:

America West Airlines, as the nation's largest low-fare network carrier, has a distinguished history of bringing top quality service and affordable airfares to communities throughout the country. With our regional affiliate, America West Express, we have also been able to bring our brand of affordable-fares and full-service product to smaller markets as well. In fact, America West pioneered the use of offering regional jets as a method of bringing top quality service at affordable prices to smaller communities who never enjoyed a low-fare brand such as Eugene, Billings and Des Moines.

In support of this mission, America West, working with the Sioux Falls Regional Airport, has identified the potential for bringing to South Dakota that state's only low-fare product. America West is interested in providing daily regional jet service between Sioux Falls and Phoenix. However, as with most new routes, there is inherent risk involved in bringing our product to this market. Therefore, the Sioux Falls Regional Airport has made available up to \$150,000 to offset start-up expenses and advertise this potential new service. It is our understanding that they are requesting from the US DOT's Small Community Air Service Development Program \$150,000 to be used to support their advertising and marketing campaign and \$350,000 to be used as a revenue guarantee to reimburse America West should costs exceed revenues over our first 12 months of service.

The initiation of service between Sioux Falls and Phoenix would not only open up the local market to non-stop service and increased competition, but provide one-stop, low-fare access to nearly 50 markets served by America West and its codeshare partners throughout the west coast, Mexico and Hawaii. Should Sioux Falls' grant request be successful, America West could potentially begin service in the latter half of 2004 or the first half of 2005.

Please let me know if you have any questions.

Sincerely,

Dion Flannery

cc: CA Howlett